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THE AGRICULTURAL SITUATION

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
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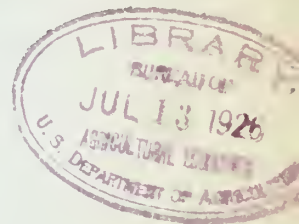
CROP OUTLOOK FAIR; LIVESTOCK IN STRONG POSITION

Ordinarily, conditions of a crop season are fairly well defined by this time of year. But this season, the weather has been so backward and varied that cotton, corn, potatoes, and even wheat are largely a speculation at this date. The carlot movement of early vegetables has been fully as heavy as last year, however, partly due to the early season in the Far West. The fruit prospect appears to be for an abundant crop. Haying is under way over much of the country. Hay is apparently a short crop, except in the Far West, and stocks of old hay are also low.

Wheat harvest is in full swing. Not the least significant item is the increased number of "combines" in use this summer - a major factor in the growing efficiency of wheat production. Where threshed, wheat has turned out unexpectedly heavy yields over parts of the Southwest, though dry weather has hurt it in sections from Kansas northward. Spring wheat had a very poor start but has benefited somewhat from recent rains throughout the northern Belt. Grain is headed on very short straw over much of the North. The general indications appear to suggest less spring wheat than last year but substantially a larger total crop. World stocks of wheat, however, were estimated on June 1 as about 30 million bushels below last year, with stocks in this country unusually low.

The pig survey, made as of June 1, shows $\frac{1}{2}$ per cent fewer pigs saved in the Corn Belt this spring than last. This means no increase in supply of hogs for slaughter before next spring, and presumably well sustained prices for a year yet to come. The number of sows bred or to be bred for next fall farrowing, however, is reported as 36 per cent larger than the number farrowing last fall. This strongly suggests a marked reversal of the hog supply and the price situation about the winter of 1927.

With the stage set for strong hog prices well into next year, with prospects for wheat growers moderately good, with cattle "coming back" in the West and the dairy industry picking up in the East, it appears that this may well prove to be another season of improvement in agricultural conditions. An inquiry just completed by this Bureau, covering 15,330 farms in all parts of the country, indicates a net financial return last year of \$1,297 per farm, as against \$1,205 in 1924, \$1,020 in 1923, and \$917 in 1922.



KEY REGIONS AT A GLANCE

THE EAST - Season ten days to two weeks late. Too cool and too dry. Crops making very slow growth. Haying begun; crop generally light. Pastures have been poor all spring. Milk prices up; dairy stock higher priced; dairy industry apparently in stronger position than for several years.

THE SOUTH - Crops backward but making up some lost time. Cotton spotted; progress good in west, varied in east; bloom increasing; cultivation good; some weevil and lice damage. General crop picture suggests bumper outturn in Texas but poorer yields in east - a reversal of last season's conditions.

CORN BELT - Been cool and backward. Corn made slow growth, condition only fair. Hog raisers report slightly fewer pigs saved this spring than last, but many more sows bred for next fall. Oats a poor crop. Cutting wheat, yields poor to fair. Number unfinished cattle in Corn Belt smallest in five years.

WHEAT BELT - Harvest in full swing up through Nebraska; finished in south. New wheat coming to market in fair quantity. Threshing yields heavy in southwest. Prospects improving in spring wheat territory but much room for improvement yet. Sentiment optimistic in south where made a crop.

RANGE COUNTRY - General conditions excellent except for eastern Montana, northeastern Wyoming and other small areas handicapped by drought. Irrigated crops doing well; first alfalfa cut; grain harvest under way. Feed ample; stock in good shape. Whole livestock situation easier especially in south where grass is excellent. Cattlemen more optimistic. Some notes of caution being sounded in sheep industry.

PACIFIC COAST - General conditions good. Grain harvest well along; yields somewhat below expectations in parts of north. Fruit prospects good. Coast season well advanced compared with rest of country.

JUNE 1 PIG SURVEY IN THE CORN BELT

Percentages of Last Year:

	Sows Farrowed	Pigs Saved	Sows bred or to be bred for fall
Ohio	102.5	93.3	126.7
Indiana	106.3	100.0	130.5
Illinois	106.2	100.2	134.3
Michigan	100.1	91.9	143.6
Wisconsin	106.3	97.5	144.6
Minnesota	106.6	104.9	136.9
Iowa	101.1	97.3	129.6
Missouri	104.7	99.7	134.4
South Dakota	101.0	103.8	161.6
Nebraska	102.2	99.7	143.8
Kansas	102.6	100.1	146.7
United States	103.5	99.5	136.4

The number of sows farrowed was reported as 3.5 per cent larger in the spring of 1926 than 1925, with every State showing an increase but the greatest increase being only 6.6 per cent. The survey in December, 1925, indicated the number of sows bred or to be bred as 11.1 per cent larger than the number farrowed in the spring of 1925. This spread of 7.6 between the December breeding intentions and sows actually farrowed agrees fairly closely with the spread shown for the spring crop in previous.

The number of pigs saved is reported as $\frac{1}{2}$ per cent smaller this spring than last. This reduction is due to the smaller average number of pigs saved per litter, which was 5.54 this year and 5.78 last. While all States except one reported smaller litters than last year, the largest decrease in size of litters was in the early farrowing States east of the Mississippi.

The number of sows bred or to be bred for fall farrowing this year is reported as 36.4 per cent larger than the number that farrowed in the fall of 1925. An actual increase of fall farrowings of at least 25 per cent does not seem unlikely. In actual numbers this would mean an increase of about 700,000 sows farrowing, and an increase of between 3,500,000 and 4,000,000 pigs saved in the Corn Belt.

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

June 15, 1926.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-Yr. Av. Aug. 1909- July, 1914	June Average 1910-1914	June 1925	May 1926	June 1926
Cotton, per lb.	¢ 12.4	12.7	23.0	16.0	16.1
Corn, per bu.	¢ 64.2	68.4	111.0	67.1	68.6
Wheat, per bu.	¢ 88.4	89.0	152.7	142.1	138.9
Hay, per ton	\$ 11.87	12.16	11.82	13.12	12.98
Potatoes, per bu.	¢ 69.7	71.8	84.4	244.8	190.1
Oats, per bu.	¢ 39.9	41.8	48.3	39.5	38.9
Beef cattle, per 100 lbs.	\$ 5.22	5.44	6.46	6.57	6.56
Hogs, per 100 lbs.	\$ 7.23	7.16	10.82	11.97	12.80
Eggs, per dozen	¢ 21.5	16.7	26.1	25.2	25.7
Butter, per pound	¢ 25.5	23.2	38.2	40.1	39.5
Butterfat, per lb.	¢ ----	----	39.9	39.1	39.3
Wool, per lb.	¢ 17.7	17.5	35.7	32.0	31.4
Veal calves, per 100 lbs.	\$ 6.75	6.77	8.18	8.92	9.65
Lambs, per 100 lbs.	\$ 5.91	6.30	11.62	11.78	12.07
Horses	\$142.00	145.00	81.00	84.00	83.00

The outstanding price change of the month is an increase in the farm price of hogs from \$11.97 to \$12.80 per cwt. from May 15 to June 15, 1926. This is nearly \$2.00 above June a year ago; practically double the June farm price of 1923 and 1924 and is the highest hog price since the fall of 1920. With June farm prices for the United States the price of 100 pounds of hog is equal to the price of 18.7 bushels of corn; this is the highest corn hog ratio since monthly farm prices were started in 1910. The farm price of veal calves increased from \$8.92 to \$9.65 per cwt. from May 15 to June 15 of this year as compared with a decrease from \$8.35 to \$8.18 for the same period a year ago. The increase in lamb prices reflects in a small way the sales of early spring lambs on the market which averaged nearly \$19.00 per cwt. for the first two weeks in June. The farm prices of corn and eggs were higher on June 15 than a month ago but lower than for June, 1925.

The farm prices of potatoes continued to decline as early potatoes increased in volume. Farm price declines were shown with wheat, oats, barley, sheep, wool and butter. Very little change in farm price was indicated by cotton, hay, beef cattle, milk cows and horses.

PRICE INDEXES FOR MAY, 1926.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number). Shows year ago, and latest available month:

Farm Products

(Prices at the farm Aug. 1909 - July, 1914 = 100.)

	<u>May</u> <u>1925</u>	<u>April</u> <u>1926</u>	<u>May</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Cotton	185	134	129	Lower
Corn	167	102	105	Higher
Wheat	169	161	161	Unchanged
Hay	103	108	111	Higher
Potatoes	101	388	351	Lower
Beef cattle	125	128	126	Lower
Hogs	149	159	165	Higher
Eggs	115	115	117	Higher
Butter	155	161	157	Lower
Wool	207	187	180	Lower

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) 1/

	<u>May</u> <u>1925</u>	<u>April</u> <u>1926</u>	<u>May</u> <u>1926</u>	<u>Month</u> <u>Trend</u>
Farm products	152	145	144	Lower
Food, etc.	152	152	153	Higher
Cloths & clothing	192	180	180	Unchanged
Fuel & lighting	195	202	207	Higher
Metal & met. products	136	136	134	Lower
Bldg. materials	179	178	177	Lower
Chemicals, etc.	132	129	129	Unchanged
House-furnishing goods	176	169	168	Lower
<u>ALL COMMODITIES</u>	158	154	154	Unchanged

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At May 1926 Farm Prices)

Aug. 1909 - July, 1914 = 100

In terms of:	Of a Unit of:				
	Cotton	Corn	Wheat	Hay	Potatoes
All commodities	83	68	104	72	227
Cloths, etc.	72	58	90	62	196
Fuel, etc.	62	50	78	53	169
Metals, etc.	96	78	120	82	262
Bldg. materials	73	59	91	63	199
House-furnishing goods	77	62	96	66	209

	Beef cattle	Hogs	Eggs	Butter	Wool
All commodities	82	107	76	102	116
Cloths, etc.	70	92	65	88	100
Fuel, etc.	61	80	57	76	87
Metals, etc.	94	123	87	117	134
Bldg. materials	71	94	66	89	102
House-furnishing goods	75	99	70	94	107

The crop season is along now where production will influence relative prices rather than the reverse. Cotton, wheat, and potatoes show a tendency to lose a few points in indicated purchasing power while corn and hay have gained a point or two.

Among the representative animal products, hogs have moved from a purchasing power index of 94 one year ago to 107 and stand out as the strong example of improvement in exchange position.

The general index of farm products, in terms of non-agricultural commodities, dropped a point to 87 during May - at which figure it has been substantially for nine months.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	<u>1925</u> <u>May</u>	<u>1926</u> <u>Apr.</u>	<u>1926</u> <u>May</u>	<u>Month's</u> <u>Trend</u>
<u>PRODUCTION</u>				
Pig iron daily (Thou. tons)	95	115	112	Decrease
Bituminous coal (Million tons)	35	40	39	Decrease
Automobiles shipped (Thou. carloads)	50	70 (Est.)	60	Decrease
<u>CONSUMPTION</u>				
Cotton by mills (Thou. bales)	532	576	517	Decrease
Unfilled orders Steel Corp. (Thou. T.)	4,050	3,868	3,649	Decrease
Building contracts (Millions dollars)	424	472	462	Decrease
Hogs slaughtered (Thousands)	1,931	1,871	1,872	Increase
Cattle " "	1,123	1,113	1,194	Increase
Sheep " "	830	801	885	Increase
<u>MOVEMENTS</u>				
Bank clearings (N.Y.) (Billion dollars)	24	26	23	Decrease
Car loadings (Thousands)	4,853	3,796	5,143	Increase
Mail order sales (Millions dollars)	30	39	34	Decrease
Men employed, N. Y. State Factories (Thou.)	495	509	498	Decrease
Av. price 25 indus. stocks (Dollars)	142	145	147	Increase
Interest rate (4-6 mo. paper, N. Y.)	3.88	4.20	4.00	Decrease
Retail Food price Index (Dept. Labor)*	152	162	161	Lower
Wholesale Price Index (Dept. Labor)*	155	151	152	Higher

There is nothing apparent in current developments which seems to have any pronounced effect on the general business situation. An undercurrent of informed opinion appears to be looking for some let-down as time goes on. There is some recession in certain indicators of trade since last month. But the broad, current picture continues one of general industrial activity and prosperity.

Data on this page, excepting livestock slaughter and price indexes, are from the "Survey of Current Business", Bureau of the Census, U. S. Department of Commerce.

* 1913 = 100

GENERAL TREND OF WAGES AND PRICES

10-----1910-1914 = 100

<u>Year and Month</u>	<u>General Wage Level</u>	<u>Farm Wages 2/</u>	<u>Retail Price of Food 1/</u>	<u>Wholesale Price of food 1/</u>	<u>Wholesale Price all Commodities</u>
	N.Y. factory workers				Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914(June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
1925	223	168	160	156	162
<u>1925</u>					
January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160
July	220	170	165	156	163
August	222	---	165	158	163
September	223	---	164	159	163
October	225	173	167	157	160
November	226	---	172	159	160
December	229	---	171	156	159
<u>1926</u>					
January	229	159	169	155	159
February	225	---	166	152	158
March	229	---	165	150	154
April	227	166	167	152	154
May	226	---	166	153	154

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

2/ Index based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES
On Five-Year Base, August, 1909 - July, 1914 = 100

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agricultural Commodities 1/	Relative power of purchasing Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Animals	Dairy & Poultry Products	Cotton and Cotton-seed	Unclassified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1925	156	160	139	143	177	92	147	165	89
1925									
Jan.	172	122	123	154	182	94	146	165	88
Feb.	178	131	126	142	183	96	146	167	88
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May.	159	162	139	132	184	87	146	161	90
June	164	184	139	132	183	86	148	163	91
July	152	178	148	134	186	88	149	164	91
Aug.	157	178	149	139	186	96	152	164	93
Sept.	148	142	143	141	178	90	144	163	88
Oct.	135	152	141	154	171	90	143	164	87
Nov.	138	194	136	162	144	95	144	166	87
Dec.	140	194	136	163	139	92	143	165	87
1926									
Jan.	143	214	140	153	138	87	143	165	87
Feb.	140	218	146	144	142	87	143	164	87
Mar.	133	220	147	137	133	85	140	162	87
Apr.	131	253	146	133	135	83	140	160	88
May	131	240	148	131	130	82	139	160	87

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by the index of the wholesale prices of non-agricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this bureau. All figures given to nearest thousand, that is, three ciphers omitted.

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1920 Total	332,314	210,332	42,121	22,197	23,538	402,755
1921 "	435,606	340,908	41,101	19,787	24,168	468,150
1922 "	413,106	378,598	44,068	3,218	22,364	526,714
1923 "	386,430	271,858	55,330	23,211	22,025	545,380
1924 "	482,007	278,719	55,414	23,695	22,201	587,477
1925 "	346,381	223,604	43,929	24,067	22,100	574,489
1920 May	19,112	10,863	4,210	1,778	1,488	33,225
1921 "	23,569	19,196	3,328	1,542	1,916	49,291
1922 "	28,204	21,965	3,737	1,878	1,692	56,636
1923 "	17,457	10,809	4,524	1,900	1,794	54,249
1924 "	16,039	15,988	4,321	1,890	1,344	56,937
1925 Jan.	23,247	35,820	6,105	1,869	1,467	37,781
" Feb.	18,493	20,833	4,558	1,530	1,388	35,181
" Mar.	16,925	23,868	3,528	1,860	1,504	40,725
" Apr.	10,023	9,810	3,247	1,827	1,541	42,141
" May.	17,896	11,935	3,283	1,737	1,689	56,838
" June	20,465	17,381	3,507	1,746	1,603	74,171
" July	37,919	9,662	2,798	1,970	1,699	69,970
" Aug.	41,928	17,488	2,549	2,245	2,064	57,556
" Sept.	57,756	12,889	2,741	2,157	2,627	45,005
" Oct.	34,111	12,187	3,390	2,789	3,198	43,467
" Nov.	33,948	19,144	3,844	2,282	1,712	35,455
" Dec.	33,670	32,587	4,380	2,056	1,608	36,199
1926 Jan.	19,076	28,268	4,304	1,840	1,548	39,424
" Feb.	15,923	25,718	3,372	1,551	1,486	39,507
" Mar.	15,052	20,080	3,579	1,811	1,695	46,077
" Apr.	13,458	12,589	3,135	1,711	1,502	45,501
" May	15,260	11,972	3,037	1,894	1,717	54,464

End of the season movement of wheat relatively light; corn about like last year.

Market receipts hogs light; cattle about like recent years; sheep and lambs relatively heavy. Butter receipts somewhat below same month last two years.

THE TREND OF EXPORT MOVEMENTS

Compiled from the Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT 1/ including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD Pounds	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1920 Total	311,601	467,662	821,922	612,250	1,043,500	6,111
1921 "	359,021	515,353	647,680	868,942	786,280	6,385
1922 "	235,307	430,908	631,452	766,950	733,832	6,015
1923 "	175,190	474,500	828,890	1,035,382	958,472	5,224
1924 "	241,454	546,555	637,980	944,095	729,832	6,653
1925 "	138,786	468,469	467,459	688,829	547,361	8,362
1920 May	26,555	33,303	68,309	55,544	88,253	359
1921 "	31,877	40,220	53,973	48,604	63,070	473
1922 "	14,485	39,844	44,058	50,817	50,196	457
1923 "	14,593	28,421	64,608	93,199	72,606	158
1924 "	7,401	39,661	45,584	62,648	51,380	307
1925 January	13,126	35,448	56,169	78,440	55,705	1,052
" February	11,800	23,806	48,041	60,363	55,438	792
" March	16,480	32,477	53,853	63,281	62,158	708
" April	12,912	30,519	33,413	44,447	39,303	440
" May	13,114	22,415	33,475	71,135	38,977	314
" June	10,922	27,460	39,690	59,799	45,398	211
" July	8,932	39,037	35,472	49,414	40,990	198
" August	12,007	34,890	31,770	45,740	38,250	313
" September	13,152	50,677	32,900	62,646	40,230	750
" October	9,113	52,211	30,706	44,745	37,071	1,414
" November	8,796	51,154	31,693	39,979	37,304	1,196
" December	8,437	68,375	40,277	68,840	46,537	974
1926 January	5,587	46,891	46,654	76,670	53,833	735
" February	4,742	47,147	37,187	65,356	45,292	545
" March	7,039	36,167	34,133	64,259	40,641	512
" April	6,452	43,388	31,410	63,160	37,947	506
" May	12,558	27,431	30,104	58,154	35,197	412

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; fresh mutton and lamb.

** Includes Cumberland and Wiltshire sides.

Excludes linters.

1/ Wheat flour is converted on a basis of 4.7 bushels grain equal 1 barrel of flour.

COLD STORAGE SITUATION

June 1 holdings (Shows nearest million, six figures omitted);

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>June 1, 1926.</u>
Creamery butter, lbs.	16	13	17	31
American cheese, lbs.	21	30	36	39
Case eggs, cases	7,475*	7,712*	3,735*	7,215*
Total poultry, lbs.	48	68	53	43
Total beef, lbs.	74	75	60	53
Total pork, lbs.	797	748	604	581
Lard, lbs.	131	138	98	107
Lamb & mutton, lbs.	5,364*	1,913*	2,393*	1,695*
Total meats, lbs.	948	905	714	683

This is the heavy season for storage of dairy products. Butter stocks nearly doubled during May and are about twice the average.

Eggs also moved into storage at slightly faster rate than year ago. Stocks still less than last year or average, however.

Stocks of pork decreased during May and lard increased as are usual. Stocks of pork products markedly light. Same true of other meats.

* Thousands, or three figures omitted.

THE DAIRY SITUATION

The period of flush production of dairy products is an especially important period in the dairy products markets. June is normally the month of peak output, and it is the month when quality is at its best and when storing operations are at their height. For these reasons developments during June may be of particular significance in their effect upon later developments.

Production trends are, of course, of primary interest. It has been noted that during May production, not only of butter, but of cheese and condensed and evaporated milk as well, was below that of May 1925. But now, at the close of June, indications are that butter production is running over 7 per cent greater than last June with the cheese and concentrated milk output only slightly less than a year previous. A rather backward season during May with lack of moisture in important producing areas was probably a restricting factor upon production. In June, however, these conditions have been overcome with some warmer weather and considerable rainfall over wide areas. The answer to the very important question of the course of production during the months just ahead is anyone's guess. The influence of the weather is great and its variability is such as to leave it as an unsettling factor in the production situation. It is almost needless to add, should production continue heavier on through July, that together with stocks now available, supplies of butter and possibly cheese will be more than adequate. Or if production should drop to lower levels, supplies will be short and trade output will necessarily be restricted.

The situation in regard to reserve stocks is not without its importance. Storage holdings of butter are particularly so, in that on June 1 holdings were over 17,500,000 pounds in excess of the same date in 1925. This is rather a heavy surplus for so early in the season, but whether or not it will be a depressing factor depends largely upon the rate at which storage holdings will increase, which in turn depends upon the volume of market arrivals. Cheese stocks too, show a surplus over the previous year amounting to nearly 10,000,000 pounds. However, this surplus is well in line with recent trends and changes which have taken place in methods of merchandising cheese. Condensed and evaporated milk stocks indicate a firm situation in that commodity with stocks on June 1 the lowest they have been on that date since reports of stocks on hand have been compiled.

Prices in general have followed the course of last year at a slightly lower level. Prices of butter and cheese in June have been slightly higher than in May and it appears that butter prices will average about a cent under June, 1925, and cheese prices about 3 cents lower. Fluid milk prices were lowered early in May and as is usually the case at this season have shown little change since.

A broad view of the situation indicates that while conditions are not particularly favorable there is no real cause for nervousness. The most unfavorable factor discernible is that consumption is apparently lower than a year ago in spite of slightly lower price levels.

C. E. ECKLES,
Division of Dairy & Poultry Products, B.A.E.

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DAIRY SITUATION
(Thousands lbs., i.e., 000 omitted)
BUTTER SUMMARY

	MAY			JANUARY TO MAY, INCL.		
	1926	1925	% Change	1926	1925	% Change
Production (1)						
Creamery	134,600	140,000	- 3.8	505,257	482,270	+ 4.8
Farm	63,394	64,487	- 1.7	215,238	218,949	- 1.7
Total butter	197,994	204,487	- 3.2	720,495	701,219	+ 2.7
Net imports	358ex	82ex	----	327im	1,646im	----
In storage (1st)	17,527	3,739	----	52,785	65,694	----
In storage (end)	30,711	13,036	----	30,711	13,036	----
Trade output	184,452	195,108	- 5.5	743,896	755,523	- 1.5
Milk equivalent	3,873,492	4,097,268	- 5.5	15,621,816	15,865,983	- 1.5
Receipts 4 mkts	62,055	64,535	- 3.8	255,789	240,785	+ 6.2

CHEESE SUMMARY

Production (2)	43,960	46,766	- 6.0	161,039	151,168	+ 6.5
Net imports	4,814	3,945	----	20,793	15,851	----
In storage (1st)	47,450	39,037	----	76,649	67,558	----
In storage (end)	52,165	42,888	+ 21.6	52,165	42,888	+21.6
Trade output	44,059	46,860	- 6.0	206,316	191,689	+ 7.6
Milk equivalent	440,590	468,600	- 6.0	2,063,160	1,916,890	+ 7.6
Rec'ts Wisconsin warehouses	25,602	27,246	- 6.0	101,773	95,121	+ 7.0

CONDENSED AND EVAPORATED MILK SUMMARY

Production (3)	199,638	203,173	- 1.7	670,239	639,981	+ 4.7
Net exports	9,550	13,988	----	51,171	52,607	----
In Mfrs' hands (1st)	128,268	140,713	- 8.8	156,272	123,428	+26.6
In Mfrs' hands (end)	153,402	193,307	-20.6	153,402	193,307	-20.6
Trade output	164,924	136,591	+20.7	621,998	517,495	+20.2
Milk equivalent	412,310	341,478	+20.7	1,554,995	1,293,738	+20.2

TOTAL MILK EQUIVALENT - BUTTER, CHEESE AND CONDENSED MILK

Production	5,096,569	5,269,820	- 3.3	18,416,383	17,837,232	+ 3.2
Trade output	4,726,392	4,907,346	- 3.7	19,239,971	19,076,611	+ 0.9

DRY MILK

Skim milk (Stock June 1)	8,102	6,128		1/1/26	4,399	1/1/25	6,735
Dry milk (net)	256 import	41 import			847 import		544 import

- (1) Estimated from Receipts on 4 principal markets.
(2) Estimated from Receipts at Wisconsin Warehouses.
(3) Compiled from special reports to this Bureau.

T. R. Pirtle,
Division of Dairy and Poultry Products.

THE EGG AND POULTRY SITUATION.

The egg market during June has failed to show any advance such as usually begins to develop at this season of the year. Receipts continue to arrive more liberally than a year ago while trading for consumption has been only fair. The cuttings down of the deficiency in storage egg stocks this year over last from over 1,000,000 cases on May 1 to about 500,000 cases on June 1, while anticipated in many quarters, nevertheless, had a weakening influence on the market when the June 1 figures were released. Prices receded slightly on the spot market and to a more pronounced degree on futures and there has been less speculative buying in evidence. Prices on most grades now stand slightly lower than they did at the beginning of the month and several cents lower than last year at this time. A large percentage of the receipts, however, are showing the effects of heat which has made really fine eggs scarce and firm and the best of these are selling readily at prices fully equal to those of June 1. With storage accumulations still increasing at a slightly faster rate than a year ago, it seems likely that the peak holdings will approach or equal those of the 1925 season.

The dressed poultry market continues in a fairly good condition. Prices on most classes of stock are lower than in May, but are still above last year's levels. The supply of broilers is increasing and the smaller sizes and poorer qualities show an easier tone. The larger sized broilers are in better demand and prices are fairly well sustained. Frozen poultry is moving out of the warehouses none too actively, but its position remains relatively good owing to the limited supplies available. The holdings of roasters are still fairly large, but they are firmly held as several months still remain during which to work them out.

A shift in demand from light to heavy fowl has occurred in the live poultry market. For some time previously the former were bringing premiums, but the reverse is now true and is expected to continue during the rest of the year. Live broilers are arriving freely, but prices, although showing day-to-day fluctuations, are fairly well maintained.

Rob R. Slocum
Division of Dairy and Poultry Products
Bureau of Agricultural Economics.

POULTRY AND EGG SITUATION
(Thousands, i.e. 000 omitted)
Stocks in Storage - United States
June 1, 1926.

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed Poultry (Pounds)
1926	7,215	34,251	42,781
1925	7,712	29,544	68,126
Change	- 497	+ 4,707	- 25,345
Per cent	- 6.4	+ 15.9	- 37.2
% change from 5-yr av.	- 3.5	+ 36.6	- 10.4

Imports and Exports of Poultry and Eggs Jan. 1 - May 31, 1926.

	1926	1925	Imports 1926	Exports 1925
Shell eggs (dozens)	114	416	14,888	11,522
Whole eggs, dried (Lbs.)	131	285		
Whole eggs, frozen (Lbs.)	1,520	2,780		
Yolks, dried (Lbs.)	812	254		
Yolks, frozen (Lbs.)	933	1,038	(1) 271	(1) 79
Egg albumen, frozen, prepared or preserved (Lbs.)	829	475		
Egg albumen, dried (Lbs.)	907	456		
Live poultry (Lbs.)	183	60	282	306
Dressed poultry (Lbs.)	1,965	741	(2) 2,820	(2) 4,406
Poultry prepared in any manner (Lbs.)	289	244	-	-

(1) Includes all forms of frozen and dried eggs.

(2) Includes game.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

	May			Jan. 1 - May 31.		
	Receipts	Net Storage Movement	App. Trade Output	Receipts	Net Storage Movement	App. Trade Output
1926	2,189	+ 1,284	905	7,738	+ 1,618	6,120
1925	2,124	+ 1,059	1,065	8,067	+ 2,148	5,919
Change	+ 65		- 160	- 329		+ 201
Per cent	+ 3.1		- 15.0	- 4.1		+ 3.4

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry- (Lbs.)

	May			Jan. 1 - May 31		
	Receipts	Net Storage Movement	App. Trade Output	Receipts	Net Storage Movement	App. Trade Output
1926	16,372	- 6,866	23,238	92,221	- 43,054	135,275
1925	16,167	- 9,588	25,755	91,505	- 42,484	133,989
Change	+ 205		- 2,517	+ 716		+ 1,286
Per cent	+ 1.3		- 9.8	+ .8		+ 1.0

LOOKS LIKE GOOD FRUIT YEAR

Most fruit crops promised well early in the summer which may mean much or little. The leading fruits as a group in June were a week or two late, but they were as far above average condition as the other crops were below, suggesting a very good early situation. Fruit growers will remember past disappointments and will make allowance for many a bump between bloom and basket. Besides it is not always a big crop that pays best and nobody wants or is willing to pay for an excess of fruit. Quality counts most in a full crop year, depending much upon the spraying and thinning. The full bloom and good early set applies mainly to apples, pears and peaches. Oranges and various California specialties were rather below average condition, although California has a serious marketing problem at hand, with perhaps even more grapes than last year and plenty of other fruit, while Florida grapefruit promises better than usual.

Apples, if - and "If" is a big word in a fruit forecast - they keep on as they started, will be a larger crop this year and different; not so many of the boxed Winesap and Delicious, fewer eastern Baldwins and Northern Spies, but more of the Southern varieties such as barreled York Imperial, Winesap and Stayman. Early apples have been selling about the same or a little lower than last season.

The West has started to put over another big pear crop and seems to be quietly elbowing the East out of the fancy end of the pear market, just as happened for awhile, at least, in apples. The pear crop may be a third larger than average. A sizeable apple and pear crop will need good marketing. Another great shortage in Europe is not in sight, but the foreign fruit outlook so far indicates that their home grown supply will be about as usual.

Early peach indications may be taken more seriously, so much of the crop being in the South and Southwest and already mature or well on the way. Production of 59,000,000 bushels would exceed last year's crop by one-fourth and would rank not far below the great peach crop of 1915. Increases this year are general except in the Central South. Georgia peaches and other Southern peaches were late but will strongly feature the midsummer market. In 1923, also a rather late shipping season, Georgia peaches did not reach heaviest shipments until the third week in July. California expects a record canning season, and packers began with paying fully 10 per cent higher prices.

G. B. Fiske,

Division of Fruits and Vegetables, B. A. E.

VEGETABLES IN GOOD SUPPLY

The truck crop season continued late in most producing regions and generally rather dry and cool. Delayed shipping districts and the early shipping sections of the Pacific Coast came along fast in May and June, adding greatly to the usual volume of some products. The larger acreage of many crops began to take effect by the end of June. Potato shipments, although still late, were by then about normal in quantity and most vegetables were in heavier carlot supply than last year. Complaints were numerous of drought and occasionally of too much rain and even of June frost, but most of the market crops seem to be turning out rather well compared with some other seasons. In contrast with other regions, the exceptional earliness of many far western States gave them some advantage the first of the season.

Demand for green produce has been active and prices generally higher than in 1925, although the heavy supply of June turned the slant of the market mainly downward. Prices of the most important products have been generally higher than last year, partly on account of lateness, and they have ranged considerably higher than those of a year ago. From now on, the comparison more often will be with last season's rising prices which followed severe drought.

Potatoes have sold about one-third above the average of recent years, the market having proceeded about as usual after a season of high prices. Not allowing for recent drought injury, the forecasts of production for the early and intermediate sections together were about midway between the light crop of last season and the heavy output of two years ago. In general, the intermediate crop is late and the yield moderate but quality good. If the season continues dry, shipments are not likely to be especially heavy in late summer. As for the main potato crop, if the yield turns out good, chances in a season following a year of high prices have been usually rather in favor of those who dug part of the crop early.

Southern onion shipments and imports from Egypt were nearly over in June. Prices had been generally below average. Midsummer onions in Kentucky, New Jersey and four other States were reported about as usual in acreage and conditions. The increases in late onion acreage are partly offset by moderate but widespread damage from high winds in a region extending from New York west to Indiana. There is a tendency in some eastern onion districts to raise more onions from sets, which brings an increasing proportion of the northern crop into market in late summer.

Increases of cantaloupe acreage are mostly in the Far West. Yield and quality of the early crop was impaired by mildew. The late crop is delayed but doing well. Forecast of cucumber production shows about 10 per cent decrease chiefly in South Carolina.

July is melon month indeed, on account of the large acreage and the delay of the usual June shipments, and the season should be in full swing early in the month. Shipments are likely to be heavy because of one-fifth larger plantings chiefly in Georgia and the Middle West, but June drought tended to cut down the early yield.

G. B. Fiske,
Division of Fruits and Vegetables, B. A. E.

THE CATTLE SITUATION

Cattle slaughter under Federal inspection during the first half of 1926 was the second largest for the period on record, being only exceeded in 1918. Calf slaughter was also the second largest, exceeded only in 1925. Combined cattle and calf slaughter was the largest for the period ever recorded.

In spite of this heavy slaughter, prices of slaughter cattle averaged a little higher than during the first half of 1925, and the highest since 1920. The average cost of all slaughter cattle as reported by packers for the first five months of 1926 was \$7.53 compared with \$7.46 for the same period last year and \$6.69 for 1922 the low year. This higher cost was due to higher level of prices for the cheaper kinds of cattle such as butcher cows and heifers, bologna bulls, common and inferior steers, there being an insistent demand for kinds of beef suitable for the sausage trade. The better grades of steers sold around \$1.00 per hundredweight lower than last year, and the market for these kinds has been generally weak during most of the time.

The results of cattle feeding operations during this period were generally unsatisfactory, in spite of the low price of corn. However, the demand for stocker and feeder cattle evidences a feeling of confidence in the future, since the price of unfinished cattle has been materially above last year. Shipments of unfinished cattle into the leading feeding States for the six months were a little below last year.

In the Agricultural Outlook of February it was indicated that an annual inspected slaughter of cattle and calves much in excess of 12,000,000 head would result in further depletion in cattle numbers. The slaughter during the first 5 months of this year was over 6,000,000 head and for the first half of the year will be well over 7,000,000 head. This would mean a total yearly slaughter for 1926 of about 15,000,000 head, if the slaughter during the first half bears the usual relation to the total.

There are many indications, however, that there may be a rather sharp falling off in the marketings of both cattle and calves during the second half of this year. The situation in the producing areas of the West and Southwest, both physically and financially is much better than a year ago. There is much evidence of returning confidence in the business, and forced liquidation is ended. Prices of breeding cattle show considerable improvement over last year. While there is little indication of a tendency to expand production, it is possible that marketings this fall will be more in accord with yearly production than for four years past, when they have greatly exceeded this.

Any material reduction in marketings during the next six months may be expected to result in a rather sharp advance in cattle prices, for the underlying position of the market seems strong. The extent of this advance will depend somewhat upon the corn situation in the feeding States. Another good corn crop and continued low prices of corn, with hog numbers indicated as but little larger, should result in a big demand for unfinished cattle since the heavy marketings of the past six months have depleted the supplies of such cattle in the feeding States to the lowest point in five years.

The indications are that the run of western cattle this fall will be short of steers, especially beef steers, but may include an unusual proportion of old cows, especially if the present prices of cutter cows are maintained. Since feed conditions are generally very good in the West and cattle wintered well, they should be in good condition at marketing time.

The supply of corn-fed cattle for the next 4 or 5 months will probably be considerably above that of last year so that any increase in cattle prices due to reduced supplies of all cattle may be expected to affect prices of cheaper kinds of cattle more than those of the better grades. Prices of fed cattle, however, should show considerable improvement from present levels.

C. L. Harlan,
Livestock Statistician, B. A. E.

THE GRAIN MARKET SITUATION

The general wheat market situation has made no radical change during the past month. Prices have tended downward toward a new crop basis. New wheat from the Southwest is being marketed in increasing volume, and with mills holding off buying and awaiting further adjustments in cash premiums the market has developed a weaker tone.

The world wheat market situation has also not changed materially during the past 30 days. Canadian crop conditions are reported as continuing favorable with crops making good progress. European crop conditions are less favorable than last year when crops were unusually good, and crops generally are reported about 10 days to 2 weeks later than usual. Weather conditions in the United States have been more favorable than early in the season. Rains during the past week were beneficial to the spring wheat crop, particularly the later plantings which constitute a large part of the total acreage.

World stocks of wheat June 1, according to trade reports, were about 50,000,000 bushels smaller than June 1 last year and were reduced about 18,000,000 bushels from the May 1 estimate. United States stocks are unusually small with stocks in commercial channels totaling only about 12,500,000 bushels compared with about 31,000,000 bushels at the corresponding time last year. Canadian stocks are materially larger than last year, but Argentine and Australian stocks in commercial channels are much smaller. The amount of grain still available for export in Argentina, however, is about 20,000,000 bushels larger than at this time last year. Taking the European stocks and requirements into consideration, the world supply of wheat at the close of the present crop year will be materially smaller than last year.

Receipts of new hard winter wheat, principally from Oklahoma and southern Kansas, have increased at interior markets and harvesting and threshing is proceeding rapidly into the northern part of the hard winter wheat belt. Reports from Kansas and Oklahoma indicate good yields and outturns larger than earlier estimates. Mills have not been active buyers but exporters have been taking considerable of the new wheat. Export bids June 25 were on the basis of $6\frac{1}{2}$ cents over the Chicago September for No. 1 hard winter wheat delivered at the Gulf for 10 days shipment. This would be around \$1.39 per bushel based upon closing future prices June 25.

Soft winter wheat prices have also declined but milling demand has been sufficient to absorb the light offerings. Southern mills are reported at this writing (June 26) to be grinding some new wheat, and harvesting in Ohio and Indiana is expected to begin about July 5. According to the June 1 estimate of the Department, the soft winter wheat crop in the principal producing States will be about 13,000,000 bushels below last year's production in these States. Weather during June, however, has been favorable and trade reports indicate that the outturn may be larger than the earlier estimates indicate.

Spring wheat prices have also declined, reflecting the lower prices in the hard winter wheat markets. Current demand, however, has been sufficient to absorb the relatively light receipts at fairly steady premiums which at this writing range about 11 to 16 cents over the Minneapolis July price for No. 1 dark northern wheat with 13 per cent protein.

More favorable crop conditions and continued heavy receipts of new crop oats in the southwestern markets have created an easier tone in the oats market and prices have worked slightly downward since the first of the month. The new crop in all the important northern States except Wisconsin and perhaps Michigan, however, has made a poor start, according to the June 1 report by the Department, and for the country as a whole the condition was slightly lower than on June 1 last year and considerably lower than on any other previous June 1. The condition of the crop was unusually poor in Missouri and South Dakota but was especially good in Texas and materially above the average in Oklahoma.

Stocks in the central western markets are still fairly large and offerings of new oats from Texas and Oklahoma into the southeastern States have restricted the demand from that territory for oats in these markets. The interior demand for oats which was prevalent early in the month, partially as a result of poor pasturage conditions, has fallen off, and trade reports indicate that country stations in some central western States, particularly Nebraska, are still carrying large stocks of last year's crop. Heavier farm consumption, or heavier farm stocks, is indicated by the receipts for the crop to date, which at the principal markets have been about 40,000,000 bushels less than last year, when the supply was no larger.

Corn future prices worked to new low levels for the July and September deliveries during the past few days in sympathy in part with lower wheat prices and liquidation on the part of speculative buyers. Weather conditions recently have been generally favorable for the development of the new crop, and this has been an additional weakening factor in the future markets.

Demand has continued active but has been principally from feeders. Receipts which at the first of the month had become rather large have fallen off and during the week ending June 26 were not half as large as during the first two weeks of the month. With offerings limited, cash prices have held firm and at most of the markets at this writing are slightly higher than at the first of June. White corn is selling at a premium of about 5 cents per bushel at St. Louis as a result of an active milling demand for white corn.

While stocks of corn are nearly twice as large as at this time last year they are no larger than at the first of May. Farmers apparently are not inclined to force their corn upon the market with live-stock prices so favorable for feeding and the new crop not yet assured.

The Argentine surplus, according to an official estimate June 25, will be around 167,000,000 bushels, or about 25,000,000 bushels more than were exported last year. This allows more for domestic use, however, than is usually required, but with such a surplus the demand for corn for export from the United States is likely to be of small volume.

G. A. Collier,
Grain, Hay and Feed Market News Service, B. A. E.

CONDITIONS IN COLORADO

Latter June found Colorado with good to excellent soil and moisture conditions in nearly all parts of the State. Generally, there is the best average outlook that has prevailed for a number of years. There was good precipitation in most sections on May 6 and 7 and again during the period May 25 to 28. There has been more or less favorable rainfall in most sections thus far in June. The drought that prevailed in the east and northeast up to May 1 was generally relieved and put the soil in those sections in favorable condition for planting of spring crops. Winter wheat, however, had suffered too seriously in that section to be greatly benefited by the rains during May and June.

Winter wheat is generally in excellent condition in all portions of the State except in the east and northeast; and spring crops, hay, and pastures are making rapid advancement in all sections. Sugar beets are now about all thinned and the crop is very promising. Potatoes, corn, and beans have now all been planted and are making a good start.

Temperatures have been cool and favorable for small grains, pastures, and truck crops. Hay has made an excellent crop, and the harvesting of the first cutting of alfalfa is well advanced. Showers and rain in some sections have made it a little difficult to put the crop up in good condition.

The fruit crops of the State all have high prospects for good production, and particularly heavy crops of cherries and peaches are expected. The cherry crop should exceed the 5,500 ton crop of 1919.

Shearing is practically completed in all sections and the sheep and lambs are being moved to summer ranges. Cattle and all other livestock are in excellent condition. Marketing of wool has been slow as prices have been unsatisfactorily low, ranging from 30 to 35 cents. Money for financing farm operations becomes a little easier as the season advances due to the excellent outlook for all crops. There are still some late potatoes supplying the market requirements at prices considerably below the high levels that prevailed until about two months ago.

New potatoes received from other States are being used. In general, there have been increases in plantings of most of the truck crops, with particularly heavy increases in onions, cantaloupes and lettuce. The acreage of lettuce will be the largest thus far grown in this State, being about a 25 per cent increase over last year. Conditions thus far have been exceptionally favorable in all sections for this crop. It is expected the first carlots will move about July 1.

W. W. Putman,
State Statistician, B. A. E.